



TransGrid Landholder Easement and Compensation Guide

TransGrid operates the largest high voltage transmission network in Australia, connecting electricity generators to local distribution networks, which supply power to homes and businesses in NSW and the ACT. TransGrid's transmission lines cross both private and public properties.

The purpose of this guide is to provide private landholders with information on TransGrid's process for acquiring property interests for its electricity infrastructure.

Why does TransGrid need to acquire property interests?

Safety is TransGrid's number one priority, and we are committed to ensuring the safety of our people and of the communities within which we work. Having appropriate spaces for our substations and transmission lines is key to our delivery of safe, secure and reliable electricity to the people of NSW and ACT, and the national electricity market.

To achieve this, TransGrid must acquire appropriate property rights over its electricity supply network. For a substation, this will usually be freehold title and for a transmission line, this will be an easement.

What is an easement?

An easement is a property right that is used to protect both the public and TransGrid's transmission line infrastructure, and provide access along the route of a transmission line. Easements impose rights and obligations on both TransGrid and the landholder to restrict activities that could endanger the public or impact the safe operation of the transmission system.

Easements vary in width depending on the safe operating space required for the voltage and design of the transmission line. Generally speaking, the higher the voltage, the larger the easement required. Typical easement widths are shown in the diagram below – however these may vary depending on the infrastructure and location.

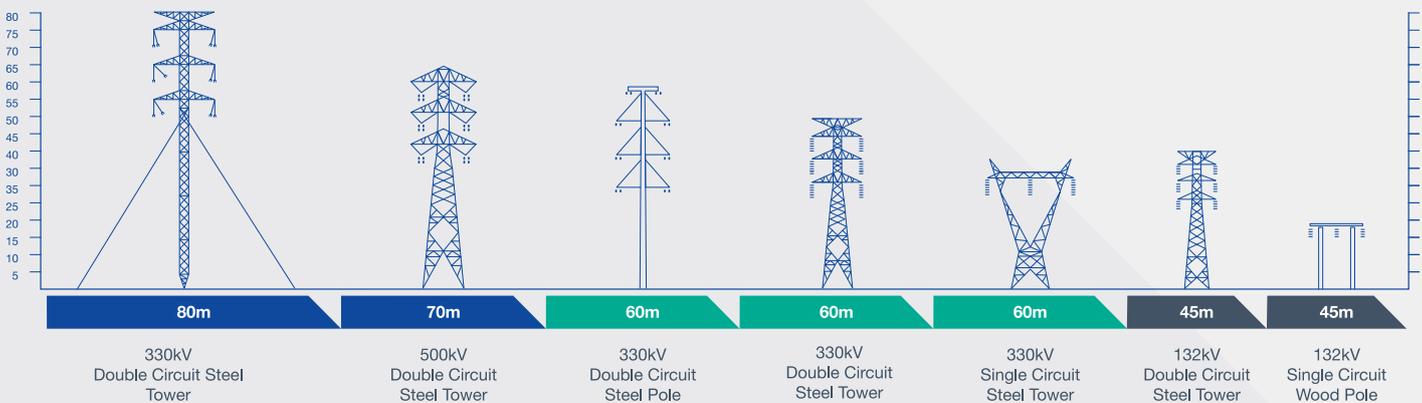


Figure not to scale. Typical widths only, may vary on a case by case basis.

Can I still use the land that has a transmission line easement on it?

Yes – for some suitable, limited activities. However many land uses cannot be carried out under transmission infrastructure because they pose a risk to public safety or the reliable operation of the network.

In addition to the terms of the easement, TransGrid has Easement Guidelines on the activities that can and cannot safely be carried out within the transmission line easements. These are available on our website.

What happens when a new transmission line is proposed?

Once the need for a new transmission line has been identified, possible routes for the transmission line will be identified via initial desk-top land and environmental investigations.

TransGrid will meet with some landholders to better understand the area and refine the potential route. Before a final route is selected, TransGrid will seek to meet with you to discuss your land, any future plans, and any issues or concerns you may have.

In some cases, TransGrid may seek consent to access your land for preliminary investigations such as environmental surveys.

What if the proposed transmission line route crosses my property?

Once a final route is selected, TransGrid will seek to negotiate an agreement with you to acquire an easement over your land.

After a face to face meeting (or making reasonable attempts), TransGrid will provide a letter of intention or an offer to purchase an easement over your land. This letter will commence the minimum six month negotiation period that is required under Section 10A of the Just Terms Act.

This period will provide time to negotiate an agreement, and for you to understand the valuation and acquisition process, obtain any necessary independent advice plus have your questions and concerns addressed in order to consider your options.

TransGrid will:

- > Provide the name and contact details of a member of TransGrid's property team who will work with you throughout the process;
- > Offer you compensation for the easement that is assessed by a qualified valuer;
- > Recommend that you engage a qualified, independent valuer to assess the easement compensation (or in the case of substations, the land value);
- > Recommend you seek independent legal advice; and
- > Provide you with a map, plan of the easement, terms of the easement and copies of the acquisition documentation.

If we can reach agreement, TransGrid will provide your solicitors with the documents required to grant the easement over your land, and arrange for registration of an easement on your certificate of title. TransGrid will pay compensation after the easement is registered on your title.

What if I don't agree to the easement?

TransGrid is committed to genuine negotiations to reach agreement with you. If we do not reach agreement following the six month period after the initial offer or letter of intent is issued, TransGrid may take steps towards compulsory acquisition under the Just Terms Act – however this is typically as a final resort, and would occur in parallel to any ongoing negotiations with you.

How is the easement interest valued?

TransGrid will engage qualified valuers to value the impact of the easement on your land. This will be used to form the basis of compensation that TransGrid will offer you.

The valuation will be assessed having regard to the provisions of the Just Terms Act.

What is included in the compensation offer?

The letter of offer may contain the following, depending on the particular circumstances of the acquisition:

- > Market value of the easement interest;
- > Payment for items such as legal fees and valuation fees you incur – as long as these fees are reasonable; and
- > In limited circumstances 'special value' as defined by the Just Terms Act may also apply.



What about my costs?

In addition to the amount determined in the valuation, TransGrid will reimburse your reasonable out-of-pocket expenses directly and reasonably incurred in this matter (including reasonable valuation and legal expenses, mortgagee's consent and NSW Land Registry production fees). TransGrid recommends that you obtain your own expert legal and valuation advice in relation to the easement acquisition without delay. Please refer to the "Guidelines for Payment of Professional Fees" information sheet for additional details.

GST

TransGrid will pay the Goods and Services Tax (GST), depending on specific circumstances - including whether you are registered for GST or not. To assist us with determining your GST status, TransGrid will ask you to fill out and return a Taxation Status Form. If the easement grant is a taxable supply, you will need to either issue TransGrid with a Tax Invoice or agree for TransGrid to raise Recipient Created Tax Invoices for the easement consideration and for professional costs to be reimbursed.

Who can I contact for independent advice?

You may wish to contact the NSW Law Society on 02 9926 0333 (for solicitors) and/or the Australian Property Institute on 02 9299 1811 (for valuers).

STEP BY STEP GUIDE

The following is a guide to the typical steps in the TransGrid acquisition process and your rights:

Easement Acquisition by Agreement

1 The project is announced – community consultation and public announcements will inform you about general project plans.

2 TransGrid will contact you to discuss the project and to better understand the environmental, social and land use constraints within the proposed study corridor.

You may also receive a request for consent as part of this process seeking access to your land for preliminary investigations.

3 If an easement is required over your land, we will seek to arrange to meet with you to discuss the next steps and provide any additional information you may request to better understand the acquisition process.

4 **Valuation** – TransGrid will arrange for a valuation of the easement interest on your land.

This valuation will form the basis of the compensation we offer you.

Offer letter – TransGrid will send an offer or letter of intent which commences a formal 6 month negotiation process.

This letter will set out information on the process, and encourage you to obtain legal advice and a property valuation in respect of TransGrid's proposed easement. (These costs will be reimbursed by TransGrid providing they are reasonable.)

Valuer meeting - If there is a difference between our valuation and your valuer's assessment, we may seek a copy of your valuation report. We may also ask that the respective valuers meet to discuss the assessments and work to reaching an agreed amount.

7 **Agreement** – TransGrid's aim is work with landholders to reach a mutually acceptable agreement on the compensation to be reached. This may involve additional meetings between the parties, our respective valuers and legal representatives.

8 **Finalising the agreement**

Once an agreement is reached, TransGrid will prepare the required easement documentation and provide them to you or your legal representatives.

After the easement documentation has been executed, it will be registered with NSW Land Registry Services.

We will pay you the agreed compensation after the easement is registered on the land's title.

Compulsory Acquisition

If agreement cannot be reached after we make genuine attempts (and for private landholders, this will be at least six months), TransGrid may need to compulsorily acquire the easement interest over your land.

The following diagram shows the steps in the compulsory acquisition process:

1 We will send you a final letter to reach agreement

Before TransGrid commences the compulsory acquisition process, we will make genuine attempts to reach an agreed outcome, including a final letter seeking your agreement to the easement acquisition.

2 We will send you a Proposed Acquisition Notice

If agreement cannot be reached, to commence the formal 90 day acquisition process under the Just Terms Act, TransGrid will send you a Proposed Acquisition Notice.

This will not prevent us from continuing to negotiate to try and reach an agreed outcome.

You may lodge a claim for compensation with TransGrid or the Valuer-General. The claim should be lodged within 60 days of receiving the Proposed Acquisition Notice from TransGrid.

Negotiations continue

We will continue to negotiate with you and our offer to acquire the easement interest will remain open until the easement is compulsorily acquired following gazettal between 90 and 120 days after we send the Proposed Acquisition Notice.

3

4 The easement on your land will be acquired

If an agreement cannot be reached within 90 days after we send the Proposed Acquisition Notice, the easement will be compulsorily acquired over your land.

TransGrid will publish a notice in the NSW Government Gazette, meaning:

- > The Governor has approved the acquisition;
- > The Valuer-General has been instructed to assess the easement compensation for your land; and
- > Following publication of the notice, TransGrid will own the easement interest over your land.

Compulsory Acquisition continued

5 The Valuer-General determines compensation

- The Valuer-General will send you a letter explaining their role and informing you of the commencement of their determination.
- The Valuer-General will appoint an independent valuer to undertake the assessment of easement compensation for your land.
- This assessment may be different from the amount of compensation we have offered.

6 You will receive a Compensation Notice

- Within 45 days of the NSW Government Gazette publication, TransGrid will send you a Compensation Notice. This will include notice of the compulsory acquisition, information about your entitlement to compensation and the amount of compensation offered by the Valuer-General.
- The Compensation Notice will also include an offer to pay the compensation and a Deed of Release for you to sign if you accept the offer.

7 If you agree with the Valuer-General's assessment

- If the Valuer-General's assessment is acceptable, the compensation will be paid within 28 days or less, following receipt of the Deed of Release.
- You will also be paid interest earned on the compensation calculated from the date of the NSW Government Gazette notice.

8 If you do not agree with the determination

- If you do not agree with the compensation amount determined by the Valuer-General, you can lodge an objection with the Land and Environment Court.
- You must lodge your objection within 90 days of receiving your Compensation Notice.

For more information

Phone 1800 222 537
Email community@transgrid.com.au
Web www.transgrid.com.au

